

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

CONFIDENTIAL

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
QEP UINTA BASIN, INC.

Contact: JAN NELSON
E-Mail: JAN.NELSON@QUESTAR.COM

3a. Address
11002 EAST 17500 SOUTH
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 435-781-4331
Fx: 435-781-4329

5. Lease Serial No.
UTU-73700

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No.
BSW 9ML-12-9-24

9. API Well No.
43-047-36461

10. Field and Pool, or Exploratory
~~UNDESIGNATED~~
Widcat

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface NESE 1807FSL 805FEL 40.04808 N Lat, 109.15611 W Lon

At proposed prod. zone 657355X 40.048086
4434514Y -109.155369

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 12 T9S R24E Mer SLB

14. Distance in miles and direction from nearest town or post office*
42 +/- MILES SOUTHEAST OF VERNAL, UT.

12. County or Parish
UINTAH

13. State
UT

15. Distance from proposed location to nearest property or
lease line, ft. (Also to nearest drig. unit line, if any)
805' +/-

16. No. of Acres in Lease
1170.00

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location to nearest well, drilling,
completed, applied for, on this lease, ft.
2000' +/-

19. Proposed Depth
6800 MD

20. BLM/BIA Bond No. on file
ESB000024

21. Elevations (Show whether DF, KB, RT, GL, etc.)
5421 GL

22. Approximate date work will start

23. Estimated duration
10 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature
(Electronic Submission)

Name (Printed/Typed)
JAN NELSON Ph: 435-781-4331

Date
03/21/2005

Title
REGULATORY AFFAIRS ANALYST

Approved by (Signature)

Name (Printed/Typed)
BRADLEY G. HILL
Office ENVIRONMENTAL SCIENTIST III

Date
03-29-05

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #55286 verified by the BLM Well Information System
For QEP UINTA BASIN, INC., sent to the Vernal

Federal Approval of this
Action is Necessary

CONFIDENTIAL
RECEIVED

MAR 28 2005

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

DIV. OF OIL, GAS & MINING

T9S, R24E, S.L.B.&M.

R
24
E

R
25
E

QUESTAR EXPLR. & PROD.
Well location, BSW #9ML-12-9-24, located as shown in the NE 1/4 SE 1/4 of Section 12, T9S, R24E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 45EAM LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 6, T9S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5350 FEET.

BASIS OF BEARINGS

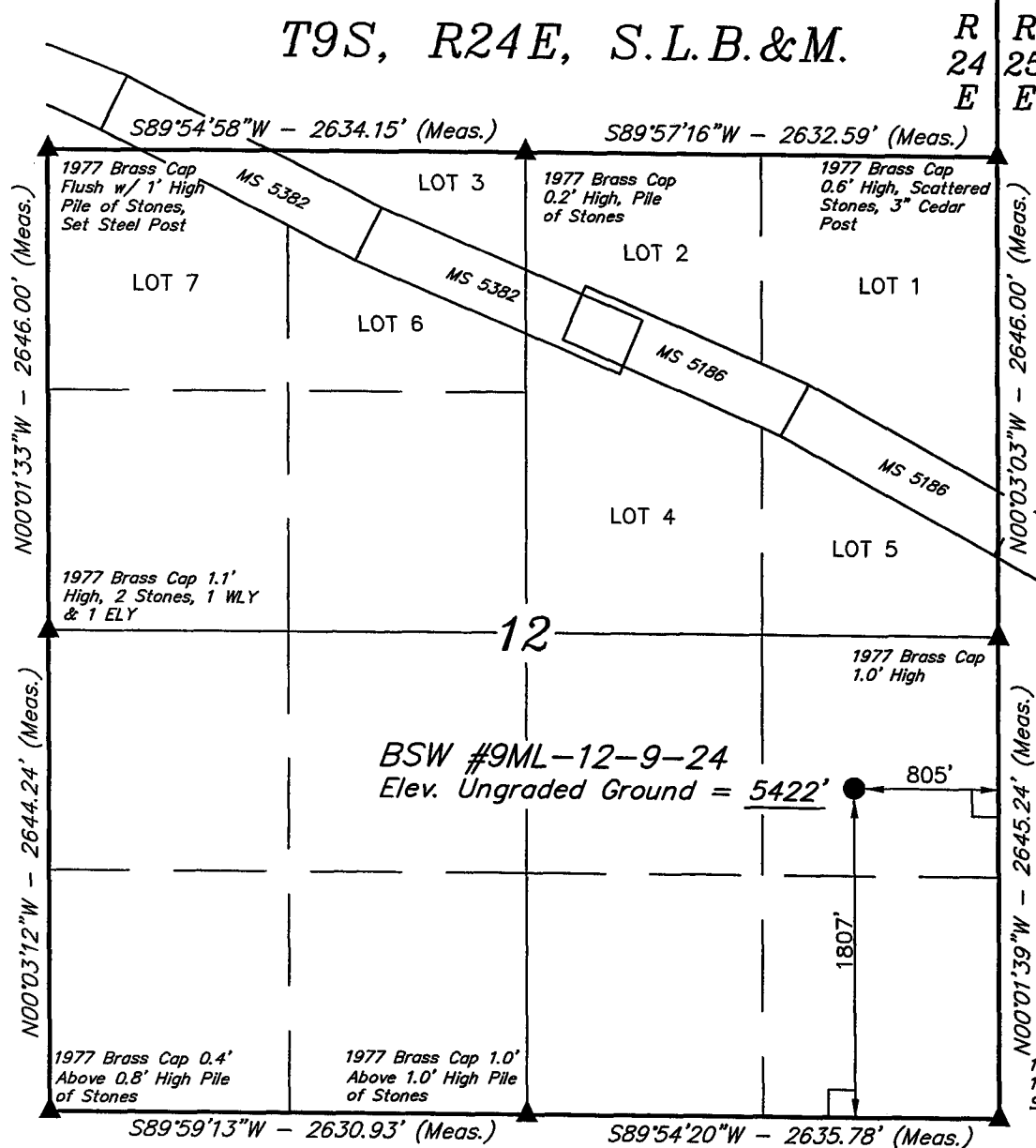
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE MAP WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 40°02'53.08" (40.048078)
 LONGITUDE = 109°09'21.99" (109.156108)
 (AUTONOMOUS NAD 27)
 LATITUDE = 40°02'53.20" (40.048111)
 LONGITUDE = 109°09'19.57" (109.155436)

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 01-28-05	DATE DRAWN: 01-29-05
PARTY D.A. T.C. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	

Additional Operator Remarks

QEP, Uinta Basin Inc. proposes to drill a well to 6800' to test the MesaVerde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements

See attached 8-point drilling program.

See Multi point surface use program.

Please be advised that QEP, Uinta Basin Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP, Uinta Basin Inc. via surety as consent as provided for the 43 CFR 3104.2.

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	1335'	
Wasatch	3370'	Gas
Mesa Verde	4260'	
Buck Tongue	6580'	
TD	6800'	

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Buck Tongue	6800'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right #36125 or Red Wash water right # 49-2153 to supply fresh water for drilling purposes.

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonstis Valley Disposal Site; SWNW, Section 12, T8S, R21E.

DRILLING PROGRAM

3. Operator's Specification for Pressure Control Equipment:

- A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, (or 70% of burst whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

4. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Type</u>	<u>Weight</u>
Surface	2700'	12 1/4"	9-5/8"	J-55	36 lb/ft (new) LT&C
TD	6800'	7 -7/8"	4 -1/2"	M-80	11.60 lb/ft (new)LT&C

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
If drilling with air the following will be used:
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').

DRILLING PROGRAM

- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

6. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated

Logging – Mud logging – 4500 to TD
GR-SP-Induction
Neutron Density
MRI

- C. Formation and Completion Interval: Buck Tongue interval, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

DRILLING PROGRAM

7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	1541sx	Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Fill to surface with 160 cf (1541sx) calculated. Tail plug used. Allowed to set under pressure

Production	Lead-809sx* Tail-916sx*	Lead/Tail oilfield type cement circulated in place . Tail slurry: Class "G" + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Fill to 3760' ($\pm 500'$ above production zone).
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Cement Characteristics:

Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Fill to surface. Tail plug used. Allowed to set under pressure.

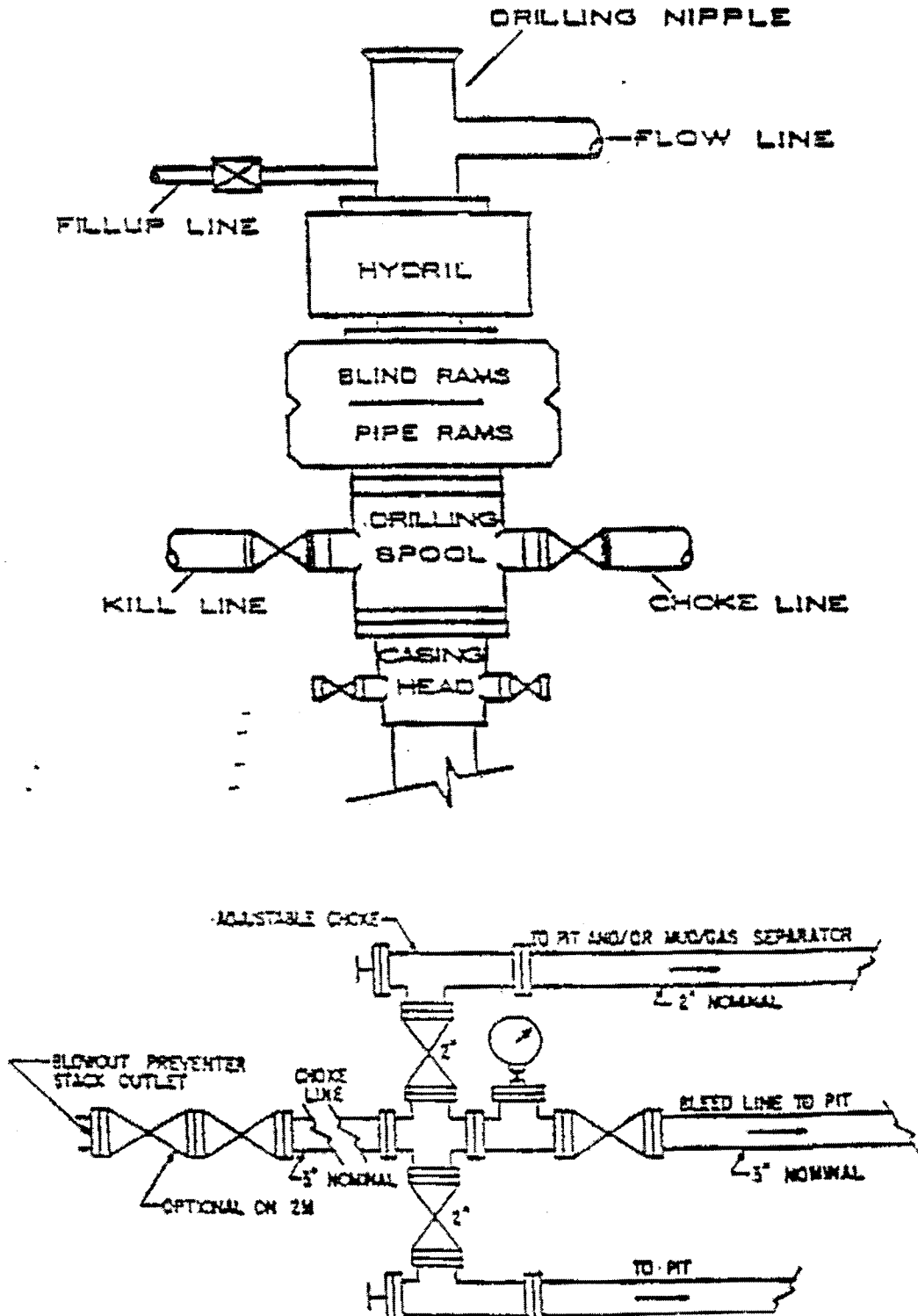
*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 2949.0 psi. Maximum anticipated bottom hole temperature is 140° F.

DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK



QEP UINTA BASIN, INC.
BSW 9ML-12-9-24
1807' FSL 805' FEL
NESE, SECTION 12, T9S, R24E
UINTAH COUNTY, UTAH
LEASE # UTU-73700

ONSHORE ORDER NO. 1

MULTI - POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the BSW 9ML-12-9-24 on March 11, 2005. Weather conditions were sunny and clear at the time of the onsite. In attendance at the inspection were the following individuals:

Paul Buhler	Bureau of Land Management
Amy Torres	Bureau of Land Management
Jan Nelson	QEP Uinta Basin Inc.
Amy Garcia	QEP Uinta Basin Inc.

1. Existing Roads:

The proposed well site is approximately 42 miles Southeast of Vernal, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 - mile radius.

No improvements will be made to existing access roads.

2. Planned Access Roads:

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1 - Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Refer to Topo Map D for the location of the proposed pipeline.

A containment dike will be constructed completely around those production facilities which contains fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The use of topsoil of the construction of dikes will not be allowed. All loading lines will be placed inside the berm surrounding tank battery. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

5. Location and Type of Water Supply:

Fresh water drilling fluids will be obtained from Wonsits Valley Water Right # 36125, or Red Wash Right # 49-2153.

6. Source of Construction Materials:

Surface and subsurface materials in the immediate area will be utilized. Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit. Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility with 120 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order #7, all produced water will be contained in tanks on location and then hauled to Wonsits Valley location in SWNW section 12, T8S, R21E; or Red Wash Disposal Well located in NESW, Section 28, T7S, R22E; or, Red Wash Central Battery Disposal located in SWSE, Section 27, T7S, R23E. Pit reclamation for lined pit will be ruptured when emptied to allow the remaining liquid to be adequately mixed and to promote additional drying of the pit area.

8. **Ancillary Facilities:**

None anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. **Plans for Reclamation of the Surface:**

Topsoil will be stripped and salvaged to provide for sufficient quantities to be respread to a depth of at least 4 to 6 inches over the disturbed areas to be reclaimed. Topsoil shall be stock piled separately from subsoil materials. Topsoil salvaged from the reserve pit shall be stockpiled separately near the reserve pit. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production. Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting.

Seed Mix: # 3

11. **Surface Ownership:**

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

12. **Other Information**

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

There is a Golden Eagle Stripulation from February 1st through July 15th. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

No drilling or construction will take place during the Antelope season May 10 thru June 20th.

Authorized Officer determined the facilities will be painted Olive Black, color number 5WA20-6.

Lessee's or Operator's Representative:

Jan Nelson
Red Wash Rep.
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4331

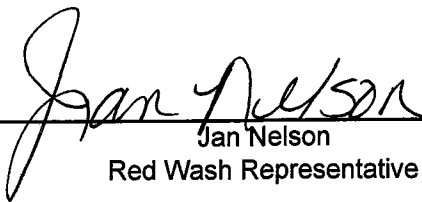
Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP Uinta Basin, Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP Uinta Basin, Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Jan Nelson
Red Wash Representative

21-Mar-05

Date

QUESTAR EXPLR. & PROD.

BSW #9ML-12-9-24

LOCATED IN UINTAH COUNTY, UTAH

SECTION 12, T9S, R24E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

01 31 05
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

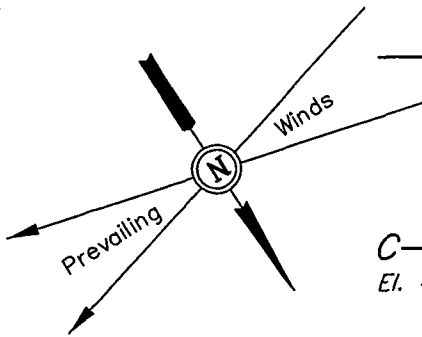
DRAWN BY: L.K.

REVISED: 00-00-00

QUESTAR EXPLR. & PROD.

LOCATION LAYOUT FOR

BSW #9ML-12-9-24
SECTION 12, T9S, R24E, S.L.B.&M.
1807' FSL 805' FEL



SCALE: 1" = 50'
DATE: 01-29-05
Drawn By: D.R.B.

C-3.8'
El. 425.3'

C-1.7'
El. 423.2'

F-5.2'
El. 416.3'

Proposed Access Road

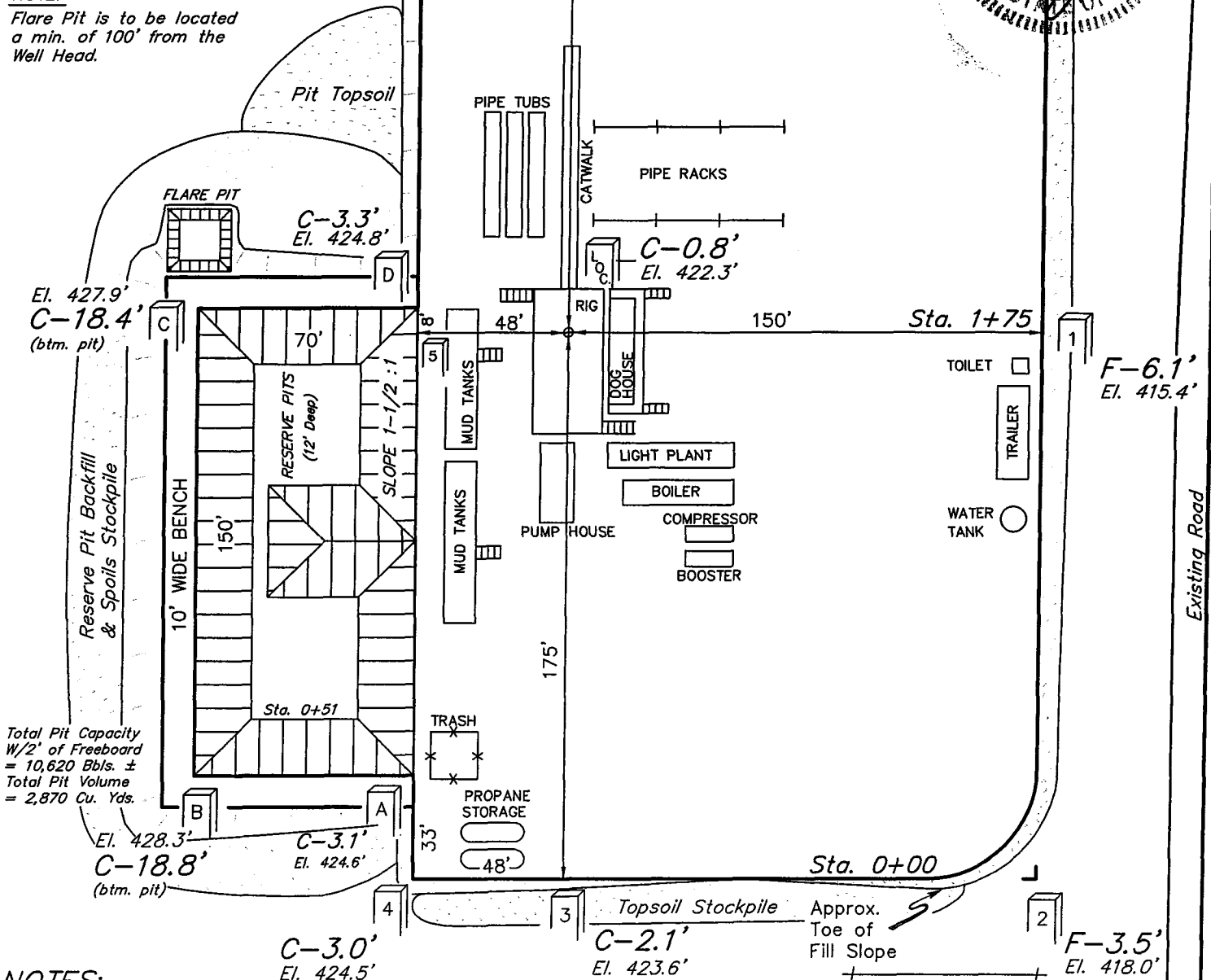
Sta. 3+50

Round Corners
as Needed

Approx.
Top of
Cut Slope

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5422.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 5421.5'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1077

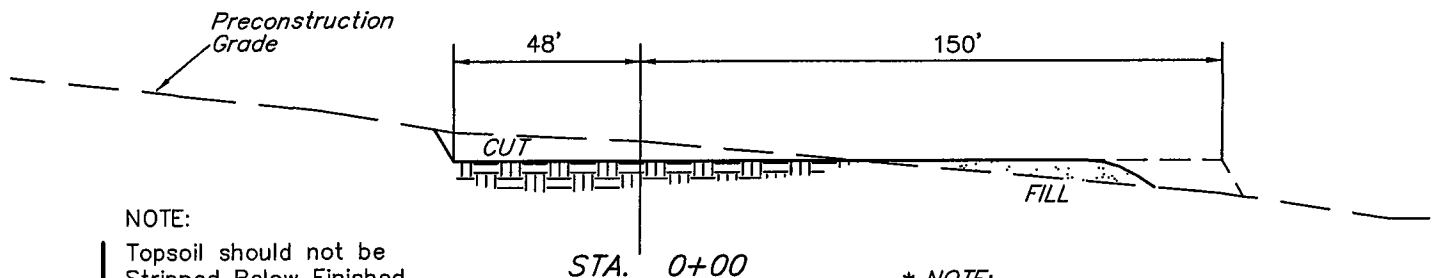
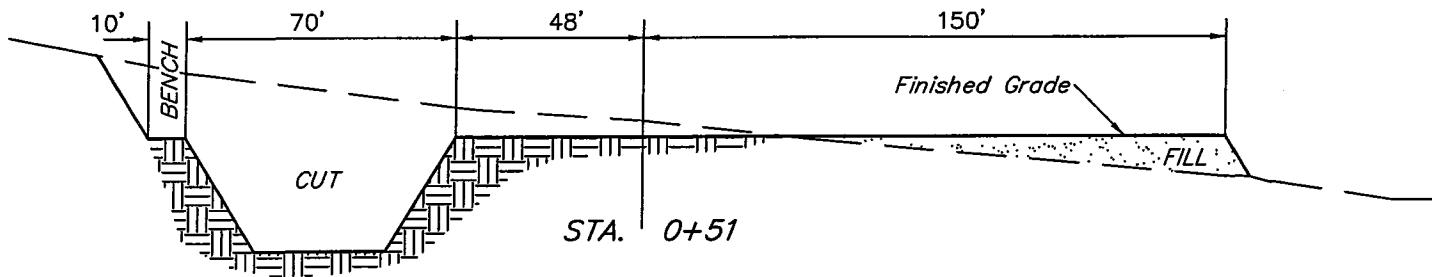
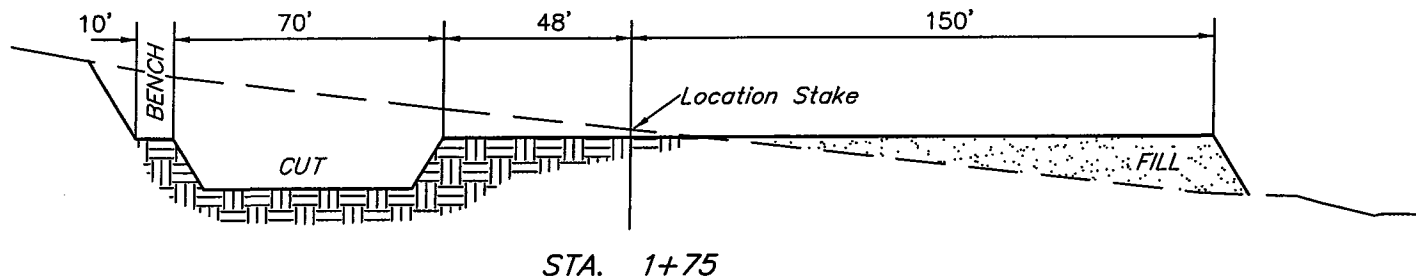
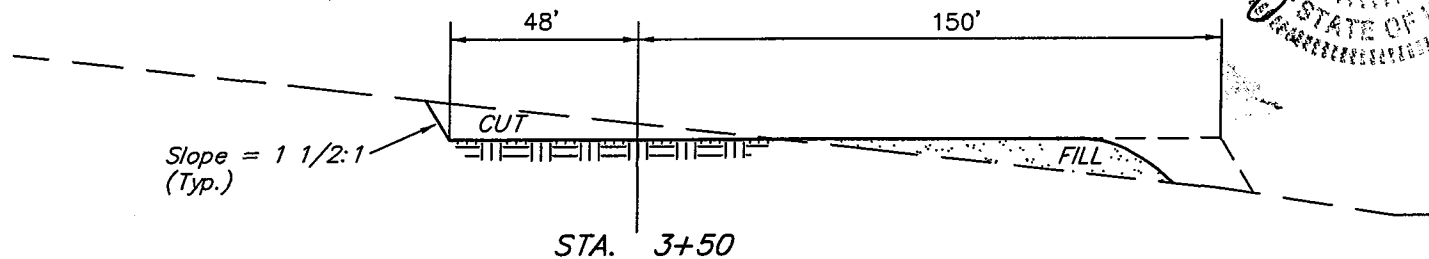
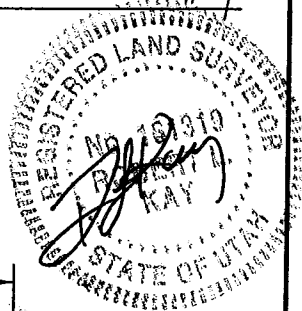
QUESTAR EXPLR. & PROD.

FIGURE #2

TYPICAL CROSS SECTIONS FOR
BSW #9ML-12-9-24
SECTION 12, T9S, R24E, S.L.B.&M.
1807' FSL 805' FEL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 01-29-05
Drawn By: D.R.B.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

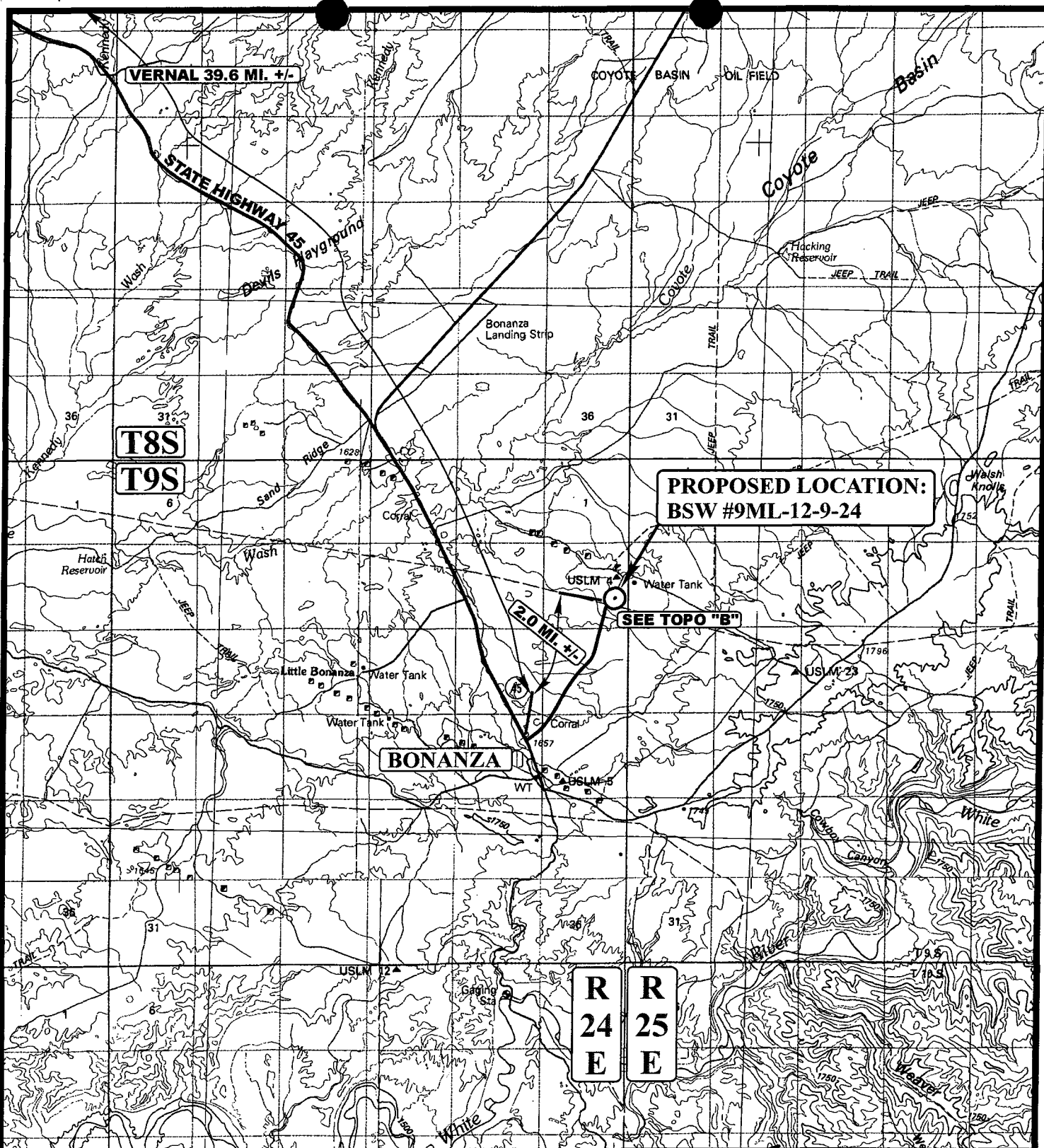
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,740 Cu. Yds.
Remaining Location = 6,910 Cu. Yds.
TOTAL CUT = 8,650 CU.YDS.
FILL = 5,470 CU.YDS.

EXCESS MATERIAL = 3,180 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,180 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

QUESTAR EXPLR. & PROD.

BSW #9ML-12-9-24
SECTION 12, T9S, R24E, S.L.B.&M.
1807' FSL 805' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

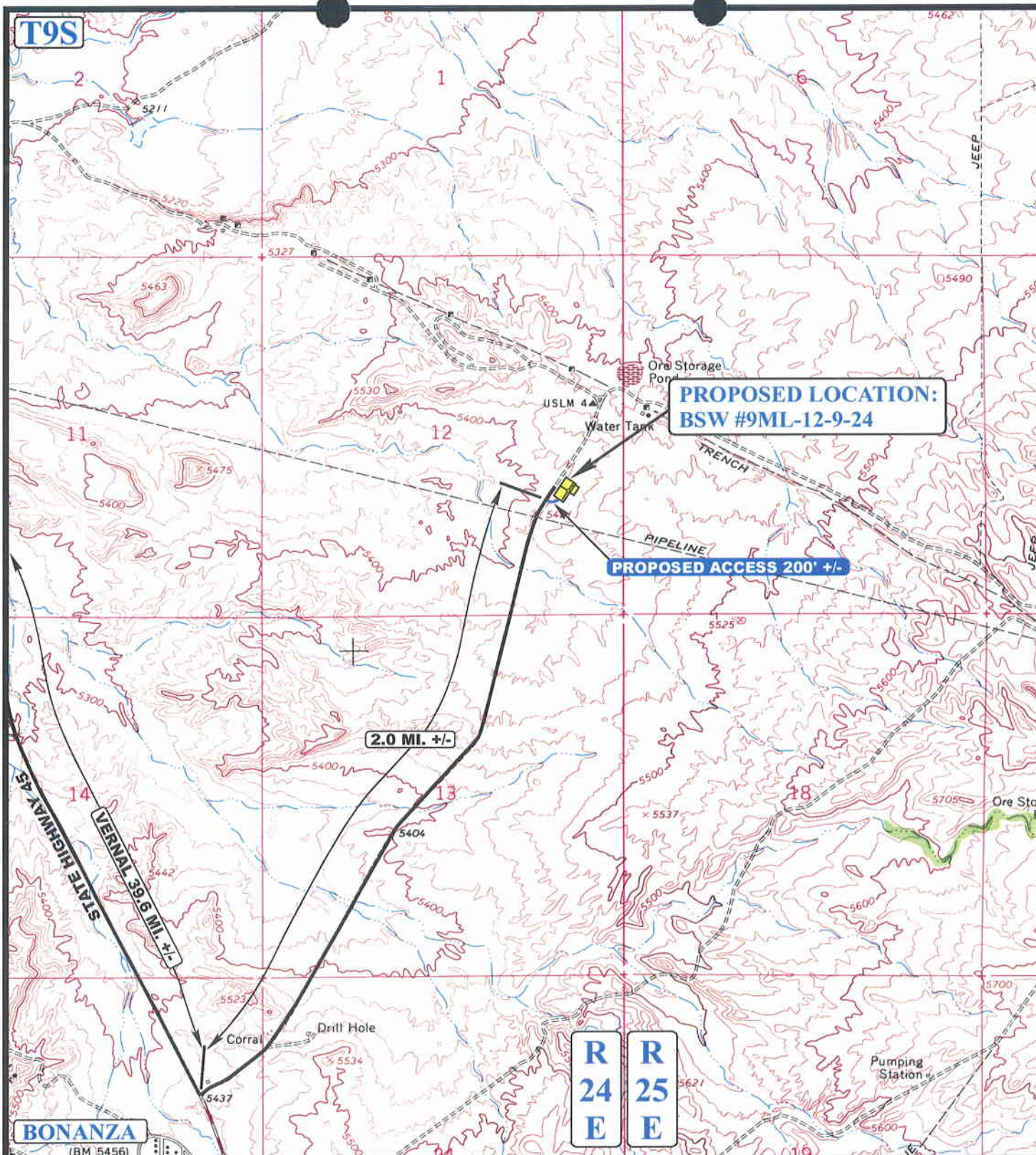


TOPOGRAPHIC
MAP

01 31 05
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00





LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD

QUESTAR EXPLR. & PROD.

BSW #9ML-12-9-24
 SECTION 12, T9S, R24E, S.L.B.&M.
 1807' FSL 805' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



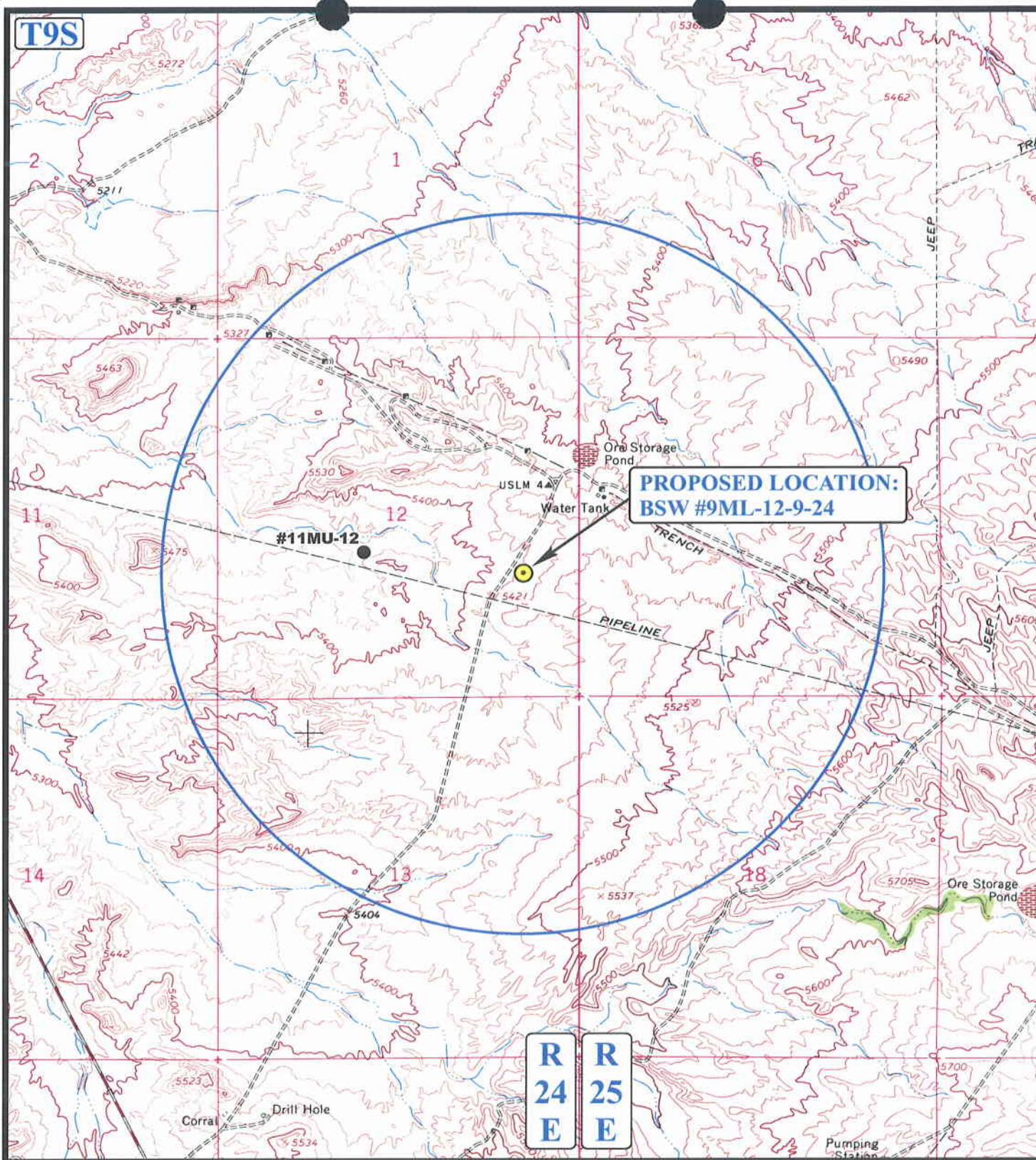
TOPOGRAPHIC
 MAP

01 31 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00



T9S



**PROPOSED LOCATION:
BSW #9ML-12-9-24**

**R
24
E** **R
25
E**

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ⬮ SHUT IN WELLS | ⬮ TEMPORARILY ABANDONED |



QUESTAR EXPLR. & PROD.

BSW #9ML-12-9-24
SECTION 12, T9S, R24E, S.L.B.&M.
1807' FSL 805' FEL



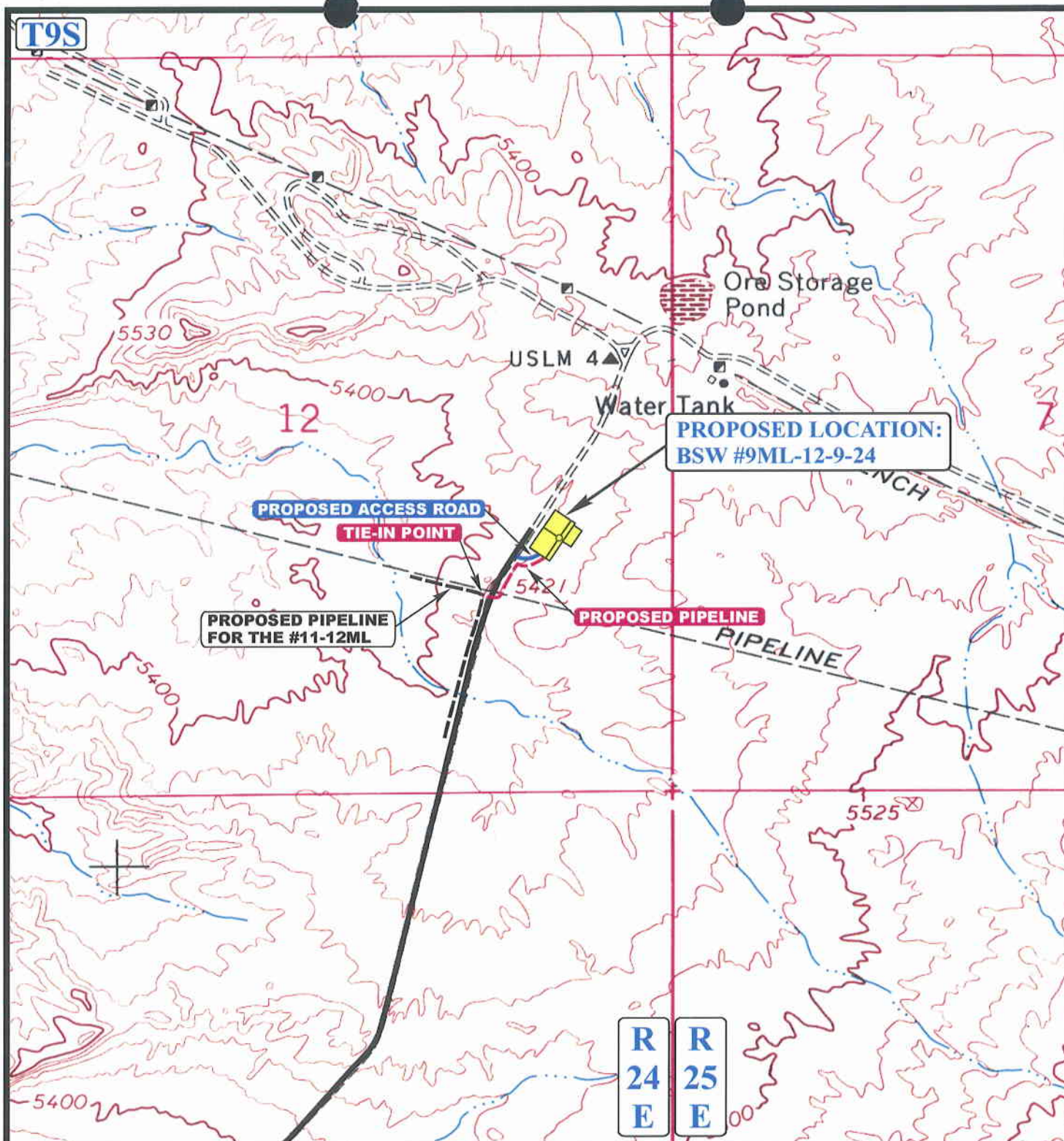
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

01 31 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 600' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

QUESTAR EXPLR. & PROD.

BSW #9ML-12-9-24
SECTION 12, T9S, R24E, S.L.B.&M.
1807' FSL 805' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

01 31 05
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00

D
TOPO

004

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/28/2005

API NO. ASSIGNED: 43-047-36461

WELL NAME: BSW 9ML-12-9-24

OPERATOR: QEP UINTA BASIN, INC. (N2460)

CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

NESE 12 090S 240E

SURFACE: 1807 FSL 0805 FEL

BOTTOM: 1807 FSL 0805 FEL

UINTAH

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73700

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 40.04809

LONGITUDE: -109.1554

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. 49-2153)
- ☒ RDCC Review (Y/N)
(Date:)
- ☒ Fee Surf Agreement (Y/N)

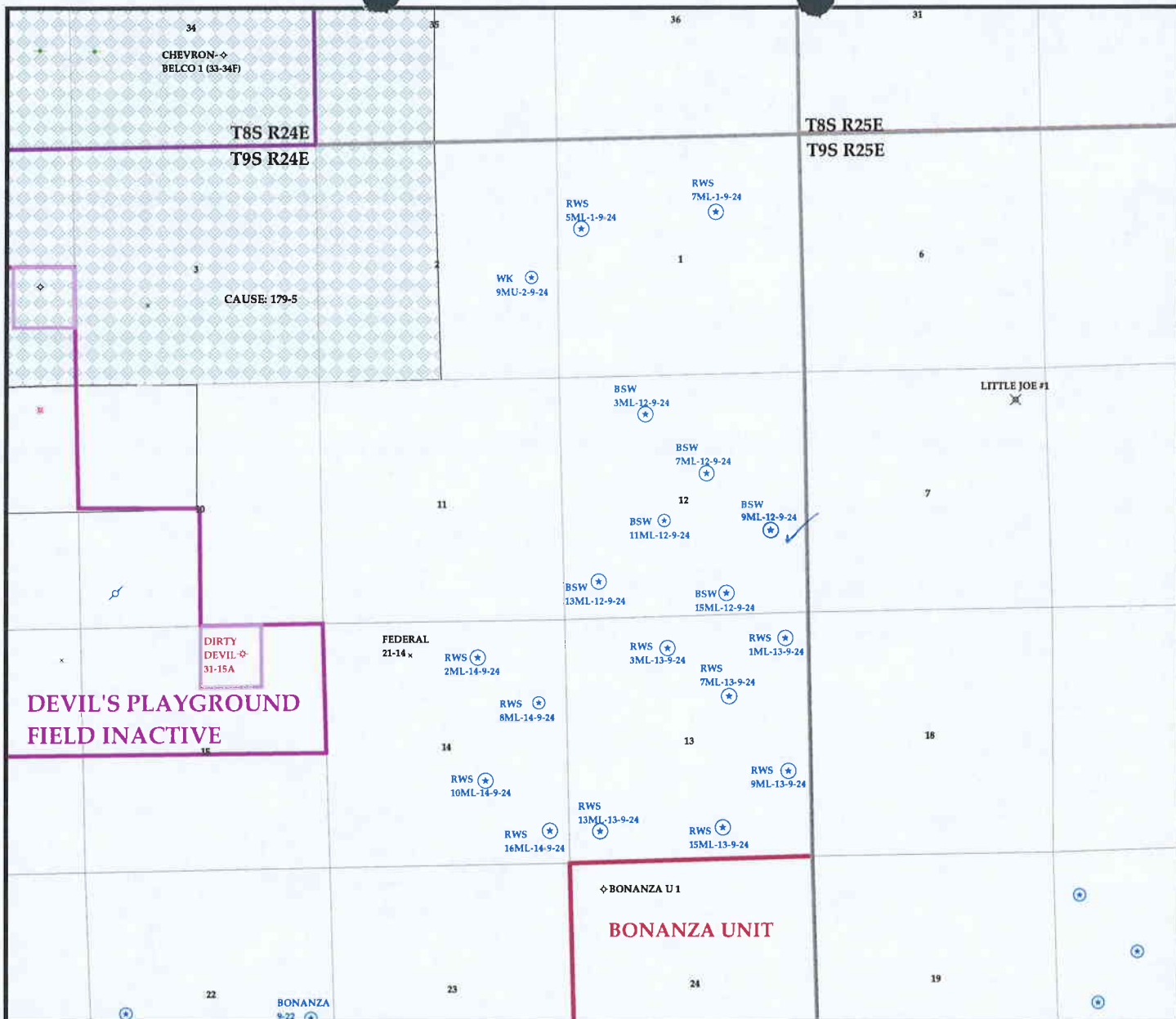
LOCATION AND SITING:

- ☐ R649-2-3.
- Unit
- ☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ☐ R649-3-3. Exception
- ☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- ☐ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- Spacing WHP



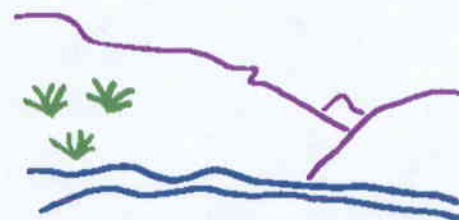
OPERATOR- QEP UINTE BASIN INC (N2460)

SEC. 12 T.9S R.24E

FIELD: WILDCAT (001)

COUNTY: UTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Wells

- ⊕ GAS INJECTION
- ⊙ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ⊕ PLUGGED & ABANDONED
- ⊕ PRODUCING GAS
- ⊕ PRODUCING OIL
- ⊕ SHUT-IN GAS
- ⊕ SHUT-IN OIL
- × TEMP. ABANDONED
- ⊕ TEST WELL
- ⊕ WATER INJECTION
- ⊕ WATER SUPPLY
- ⊕ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 29-MARCH-2005

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 29, 2005

QEP Uinta Basin, Inc.
11002 E 17500 S
Vernal, UT 84078

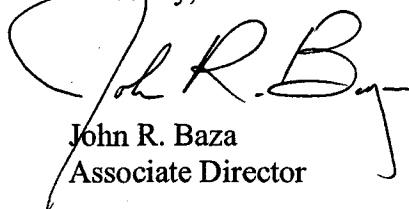
Re: BSW 9ML-12-9-24 Well, 1807' FSL, 805' FEL, NE SE, Sec. 12, T. 9 South,
R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36461.

Sincerely,



John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: QEP Uinta Basin, Inc.
Well Name & Number RWS 9ML-12-9-24
API Number: 43-047-36461
Lease: UTU-73700
Location: NE SE Sec. 12 T. 9 South R. 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-73700	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator QEP UINTA BASIN, INC.		7. If Unit or CA Agreement, Name and No. N/A	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		8. Lease Name and Well No. BSW 9ML-12-9-24	
3b. Phone No. (include area code) Ph: 435-781-4331 Fx: 435-781-4329		9. API Well No. 43-047-31461	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NESE 1807FSL 805FEL 40.04808 N Lat. 109.15611 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory UNDESIGNATED	
14. Distance in miles and direction from nearest town or post office* 42 +/- MILES SOUTHEAST OF VERNAL, UT.		11. Sec., T., R., M., or Blk. and Survey or Area Sec 12 T9S R24E Mer SLB	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 805' +/-		12. County or Parish UINTAH	
16. No. of Acres in Lease 1170.00		13. State UT	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2000' +/-		17. Spacing Unit dedicated to this well 40.00	
19. Proposed Depth 6800 MD		20. BLM/BIA Bond No. on file ESB000024	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5421 GL		23. Estimated duration 10 DAYS	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) JAN NELSON Ph: 435-781-4331	Date 03/21/2005
Title REGULATORY AFFAIRS ANALYST		
Approved by (Signature) <i>Thomas B. Cleary</i>	Name (Printed/Typed)	Date 08/16/2005
Title Assistant Field Manager Mineral Resources	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #55286 verified by the BLM Well Information System
For QEP UINTA BASIN, INC., sent to the Vernal
Committed to AFMSS for processing by LESLIE WILCKEN on 03/28/2005 ()

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

AUG 22 2005

DIV. OF OIL, GAS & MINING ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

05LW/275AE

NOS 2/24/05

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Operator/Company: QEP Uinta Basin Inc.

Well Name/Number: BSW 9ML-12-9-24

API Number: 43-047-36461

Location: NESE Sec Tship Rng.: 12, T9S, R24E

Lease Number: UTU-73700

Agreement Name (If Applicable): N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware that fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF or other).

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Michael Lee (435) 828-7875
Petroleum Engineer

Matt Baker (435) 828-4470
Petroleum Engineer

BLM FAX Machine (435) 781-4410

CONDITIONS OF APPROVAL

Company/Operator: QEP, Uinta Basin, Inc

API Number 43-047-36461

Well Name & Number 9ML-12-9-24

Lease number: U-73700

Location: NESE Sec, 12, T.9S. R. 24E.

Surface Ownership: BLM

Date NOS Received: 2/24/05

Date APD Received: 3/21/05

1. Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
2. As a Best Management Practice (BMP), the pipeline would be buried within the identified construction width of an access corridor that contains the access road and pipelines. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation).
3. Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above-ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.

RECEIVED

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

NOV 14 2005

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

BLAIVERNAL, UTAH

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Questar Exploration and Production Company QEP Uinta Basin N2460		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1050 17th Street, Suite 500 CITY Denver STATE Co ZIP 80265		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attachment		8. WELL NAME and NUMBER: See Attachment 4 wells
PHONE NUMBER: (303) 308-3056		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Questar Exploration and Production Company has transferred operatorship to True Oil LLC for the locations on the attached list.

True Oil LLC
PO Box 2360
Casper, WY 82602
Agreed to by: Q.E. Russell

N 2785

BLM Statewide Bond # QLI-J91-417008-135 Liberty Mutual
State Bond # QLI-J91-417008-145 Liberty Mutual

The Change of Operator shall be effective as of October 1, 2005.

NAME (PLEASE PRINT) <u>Frank Nielsen</u>	TITLE <u>Regional Land Manager</u>
SIGNATURE <u>Frank Nielsen</u>	DATE <u>11/2/2005</u>

(This space for State use only)

APPROVED 12/28/05

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

NOV 17 2005

DIV. OF OIL, GAS & MINING

RECEIVED

NOV 21 2005

DIV. OF OIL, GAS & MINING

(5/2000)

Well NameAPI #LocationUTU-73917

①
~~1) RWS 1ML-1-9-24~~ ~~API # 43-047-36517~~ ~~9S 24E Section 1: NENE~~
~~2) RWS 3ML-1-9-24~~ ~~API # 43-047-36518~~ ~~9S 24E Section 1: NENW~~
~~3) RWS 5ML-1-9-24~~ ~~API # 43-047-36452~~ ~~9S 24E Section 1: SWNW~~
~~4) RWS 7ML-1-9-24~~ ~~API # 43-047-36451~~ ~~9S 24E Section 1: SWNE~~
~~5) RWS 9ML-1-9-24~~ ~~API # 43-047-36519~~ ~~9S 24E Section 1: NESE~~
~~6) RWS 11ML-1-9-24~~ ~~API # 43-047-36520~~ ~~9S 24E Section 1: NESW~~
~~7) RWS 15ML-1-9-24~~ ~~API # 43-047-36521~~ ~~9S 24E Section 1: SWSE~~
~~8) RWS 2ML-14-9-24~~ ~~API # 43-047-36450~~ ~~9S 24E Section 14: NWNE~~
~~9) RWS 10ML-14-9-24~~ ~~API # 43-047-36449~~ ~~9S 24E Section 14: NWSE~~
~~10) RWS 12ML-14-9-24~~ ~~API # 43-047-36738~~ ~~9S 24E Section 14: NWSW~~
~~11) RWS 13ML-14-9-24~~ ~~API # 43-047-36737~~ ~~9S 24E Section 14: SWSW~~
~~12) RWS 16ML-14-9-24~~ ~~API # 43-047-36448~~ ~~9S 24E Section 14: SESE~~

UTU-73700

②
~~13) BSW 1ML-12-9-24~~ ~~API # 43-047-36522~~ ~~9S 24E Section 12: NENE~~
~~14) BSW 3ML-12-9-24~~ ~~API # 43-047-36463~~ ~~9S 24E Section 12: NENW~~
~~15) BSW 7ML-12-9-24~~ ~~API # 43-047-36462~~ ~~9S 24E Section 12: SWNE~~
~~16) BSW 9ML-12-9-24~~ ~~API # 43-047-36461~~ ~~9S 24E Section 12: NESE~~ OK
~~17) BSW 13ML-12-9-24~~ ~~API # 43-047-36460~~ ~~9S 24E Section 12: SWSW~~
~~18) BSW 15ML-12-9-24~~ ~~API # 43-047-36459~~ ~~9S 24E Section 12: SWSE~~
③
~~19) BSW 1ML-13-9-24~~ ~~API # 43-047-36458~~ ~~9S 24E Section 13: NENE~~
~~20) BSW 3ML-13-9-24~~ ~~API # 43-047-36457~~ ~~9S 24E Section 13: NENW~~
~~21) BSW 7ML-13-9-24~~ ~~API # 43-047-36456~~ ~~9S 24E Section 13: SWNE~~
~~22) BSW 9ML-13-9-24~~ ~~API # 43-047-36455~~ ~~9S 24E Section 13: NESE~~
~~23) BSW 11ML-13-9-24~~ ~~API # 43-047-36523~~ ~~9S 24E Section 13: NESW~~
~~24) BSW 13ML-13-9-24~~ ~~API # 43-047-36454~~ ~~9S 24E Section 13: SWSW~~
~~25) BSW 15ML-13-9-24~~ ~~API # 43-047-36453~~ ~~9S 24E Section 13: SWSE~~

UT ST ML-47046

④
~~26) WK 1ML-2-9-24~~ ~~API # 43-047-36722~~ ~~9S 24E Section 2: NENE~~
~~27) WK 3ML-2-9-24~~ ~~API # 43-047-36723~~ ~~9S 24E Section 2: NENW~~
~~28) WK 7ML-2-9-24~~ ~~API # 43-047-36724~~ ~~9S 24E Section 2: SWNE~~
★ 29) WK 9MU-2-9-24 API # 43-047-35695 *Separate* 9S 24E Section 2: NESE ★

* already
processed - EP

TRUE OIL LLC

455 NORTH POPLAR STREET
CASPER, WYOMING 82601

MAILING ADDRESS:
P.O. DRAWER 2360
CASPER, WY 82602
(307) 237-9301
FAX: (307) 266-0325

December 19, 2005

Utah Division of Oil, Gas and Mining
P. O. Box 145801
Salt Lake City, UT 84114-5801
Attn: Earlene Russell

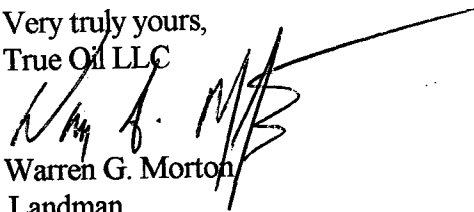
Re: Transfer of operations

Dear Mrs. Russell:

Per your request, enclosed please find the four Requests to Transfer Applications forms for the four additional wells True Oil LLC will be operating. As we discussed, in the near future there may be additional wells that True will acquire operations from QEP Uinta Basin Inc., however these four wells are it for now.

Should you have any questions concerning this matter, please advise.

Very truly yours,
True Oil LLC


Warren G. Morton
Landman

RECEIVED

DEC 22 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	BSW 9ML-12-9-24
API number:	43-047-36461
Location:	Qtr-Qtr: NESE Section: 12 Township: 9S Range: 24E
Company that filed original application:	QEP UINTA BASIN INC.
Date original permit was issued:	AUGUST 16, 2005
Company that permit was issued to:	QEP UINTA BASIN INC.

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
X	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed? N/A LOCATION ON FEDERAL SURFACE		X
If so, has the surface agreement been updated? N/A		X
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		X
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		X
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		X
Has the approved source of water for drilling changed?		X
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		X
Is bonding still in place, which covers this proposed well? Bond No. 622-392-427008-135 LIBERTY MUTUAL	X	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) WARREN E. MARTON Title LANDMAN
Signature [Signature] Date 12-15-05
Representing (company name) TRUE OIL LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

RECEIVED
DEC 22 2005
DIV. OF OIL, GAS & MINING

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 12/28/2005
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 12/28/2005
3. Bond information entered in RBDMS on: 12/28/2005
4. Fee/State wells attached to bond in RBDMS on: 12/28/2005
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 12/28/2005

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: QLIJ91417008135

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: QLIJ91417008145

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number 38714
2. The FORMER operator has requested a release of liability from their bond on: n/a
The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU - 73700

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

8. WELL NAME and NUMBER:

BSW 9ML-12-9-24

9. API NUMBER:

43-047-36461

10. FIELD AND POOL, OR WILDCAT:

Undesignated

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

True Oil LLC

3. ADDRESS OF OPERATOR:

P. O. Box 2360 CITY Casper

STATE WY ZIP 82602

PHONE NUMBER:

307-237-9301

4. LOCATION OF WELL

FOOTAGES AT SURFACE: (1,807' FSL, 805' FEL)

40.04808 N.Lat., 109.15611 W. Long.

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Sec. 12: NESE, T9S, R24E

COUNTY: Uintah

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: Time Extension

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

True Oil LLC respectfully requests that the State of Utah grant True Oil LLC an extension of time on the term for the APD for the BSW 9ML-12-9-24. Said extension would allow True to further evaluate the field production and obtain a drilling rig.

Should you have any concerns regarding this matter, please advise.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-24-06

By: [Signature]

NAME (PLEASE PRINT) W. G. Morton

TITLE Landman

SIGNATURE [Signature]

DATE 5-17-06

(This space for State use only)

RECEIVED

MAY 22 2006

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-36461
Well Name: BSW 9ML-12-9-24
Location: T9S, R24E., Sec. 12: NE $\frac{1}{4}$ SE $\frac{1}{4}$
Company Permit Issued to: True Oil LLC
Date Original Permit Issued: March 29, 2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature W. G. Morton

May 17, 2006

Date

Title: Landman

Representing: True Oil LLC

**RECEIVED
MAY 22 2006**

DIV. OF OIL, GAS & MINING

TRUE OIL LLC

455 NORTH POPLAR STREET
CASPER, WYOMING 82601

MAILING ADDRESS:
P.O. DRAWER 2360
CASPER, WY 82602
(307) 237-9301
FAX: (307) 266-0325

May 18, 2006

Utah Division of Oil, Gas and Mining
P. O. Box 145801
Salt Lake City, UT 84114-5801
Attn: Diana Whitney

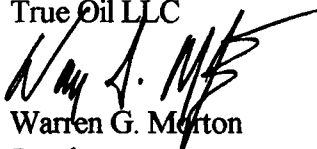
Re: Expired APD's

Dear Diana:

Per your request, please find enclosed the necessary paper work you requested to extend the permit terms for the BSW 1ML-13-9-24, BSW 9ML-12-9-24 and the RWS 11ML-1-9-24. True respectfully request that the State of Utah grant True a six month extension for said well permits.

Should you have any questions concerning this matter, please advise.

Very truly yours,
True Oil LLC


Warren G. Morton
Landman

RECEIVED

MAY 22 2006

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 13, 2007

True Oil LLC.
P.O. Box 2360
Casper, WY 82602

Re: APD Rescinded -BSW 9ML-12-9-24 Sec. 12 T. 9S R. 24E
Uintah County, Utah API No. 43-047-36461

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 29, 2005. On May 24, 2006, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 13, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

